

RIDER GSA-2
GREEN SOURCE ADVANTAGE (SC)AVAILABILITY

This Green Source Advantage Program (“GSA Program” or “Program”) is available, at the Company’s option, to nonresidential customers meeting the eligibility criteria specified herein and receiving concurrent service on another rate schedule, excluding service under outdoor lighting schedules, who procure renewable energy pursuant to the terms of the GSA Program, as approved by the Commission. Eligibility for the Program is limited to nonresidential customers with a minimum Maximum Annual Peak Demand of 3,000 kW or an aggregated Maximum Annual Peak Demand at multiple South Carolina service locations of 5,000 kW (collectively, “Eligible GSA Customers”). The Program is also limited to a total of 37 MW of renewable energy facilities in the Duke Energy Progress service territory (“Maximum GSA Program Capacity”). This Rider and the Program shall remain open to Eligible GSA Customers pursuant to the Program’s terms and conditions, as approved by the Commission, for a period of eighteen months following initial Program approval of [Date].

PROCUREMENT OF GSA FACILITIES

The Program allows Eligible GSA Customers to request renewable energy and allows the Customer to obtain the renewable energy certificates (“RECs”) generated by a GSA Facility or portfolio of GSA Facilities (“GSA Facility(ies)”).

Customers seeking to participate in the Program shall identify and propose to the Company a GSA Facility(ies) offered by the GSA Facility’s owner (“Renewable Supplier”). The Renewable Supplier will enter into a power purchase agreement (“GSA PPA”) with the Company to supply all of the energy from the GSA Facility(ies). A GSA Facility must be a new renewable energy facility located in the Company’s service territory in either North Carolina or South Carolina with supply that will be dedicated to the Program by the Renewable Supplier. The Customer will negotiate price terms directly with a Renewable Supplier, which shall include delivery of energy and capacity to the Company and transfer of the RECs generated by the GSA Facility(ies) to the Customer. As described below, the Renewable Supplier shall transfer RECs directly to the Customer through a separate contractual arrangement.

APPLICATION PROCESS AND GSA SERVICE AGREEMENT

To participate in the GSA Program, a Customer must submit an application to the Company during a GSA Program enrollment window, as described on the Company’s Program website, identifying an annual amount of renewable capacity to be procured on behalf of the Customer. The Customer may request renewable generation capacity up to 125% of the Customer’s aggregate Maximum Annual Peak Demand at eligible Customer service location(s) within the Company’s South Carolina service territory.

The Application shall identify the requested contract term for the Customer’s enrollment in the Program, which shall be up to fifteen (15) years. All Customer applications shall be accompanied by the payment of a \$2,000 nonrefundable application fee. Program reservations will be accepted on a “first-come-first-served” basis based upon the date and time of receipt of the Customer’s completed Application and application fee. Subsequent applications will be held until earlier applications are resolved and will not be rejected until the Company’s Maximum GSA Program Capacity is satisfied. The \$2,000 application fee will be refunded to the Customer only in the event that the Customer’s application is rejected due to insufficient GSA Program Capacity.

A Customer submitting an application shall also be required to deliver, at the time of application, a standard-form term sheet executed by the Customer and Renewable Supplier, which shall identify the Renewable Supplier and provide information about the proposed GSA Facility and other information as requested by the Company and identified in the term sheet.

The GSA Service Agreement shall include the general terms and conditions applicable under this Rider and shall specify the rates and charges applicable under the GSA Program for the contract term. The

ATTACHMENT B

Duke Energy Progress, LLC
(South Carolina Only)

SC Rider GSA-2

Customer and the Renewable Supplier must execute and return the GSA Service Agreement within 90 days of delivery by the Company and the Renewable Supplier must also execute and return the GSA PPA within 30 days of delivery by the Company. Failure by either the Renewable Supplier or the Customer to timely execute and return the GSA Service Agreement will result in termination of the Customer's application and GSA capacity reservation, which would then require the Customer to start the Program enrollment process anew to participate in the Program.

RENEWABLE ENERGY CREDITS

The GSA PPA delivered to a Renewable Supplier shall exclude the transfer of RECs to the Company, as discussed above. The RECs shall be transferred directly from the Renewable Supplier to the Customer pursuant to GSA Service Agreement between the Customer and the Renewable Supplier. The GSA Service Agreement shall obligate the Renewable Supplier to transfer the RECs generated by the designated GSA Facility to the NC RETS account identified by the GSA Customer. The Company shall not be responsible for procuring, delivering, or transferring RECs to the Customer or for the actual production of the GSA Facility(ies) and shall bear no liability to the Customer for the failure of the Renewable Supplier to perform its obligations.

MONTHLY RATE

An amount computed under the GSA Customer's primary rate schedule and any other applicable riders with which this Rider is used plus the sum of the following amounts:

1. GSA Product Charge – the energy produced by the GSA Facility in the prior billing month times the fixed rate for purchased power from the Renewable Supplier specified in the GSA Service Agreement
2. GSA Bill Credit – the energy produced by the GSA Facility in each hour of the prior billing month times the Hourly Rate credit, described below.
3. GSA Administrative Charge – the applicable monthly administrative charge shall be \$375 per Customer Account, plus an additional \$50 charge per additional account billed

BILL CREDIT

The GSA Bill Credit will be set at the day-ahead real time Hourly Rate as calculated by the Company based upon the following methodology for the full duration of the GSA Service Agreement.

The Hourly Rate shall be determined based upon the following formula:

$$\text{Hourly RTP Rate} = \text{MENERGY} + \text{CAP}$$

where:

$$\text{MENERGY} = \text{Marginal Energy Cost per kilowatt-hour including marginal fuel and variable operating and maintenance expenses}$$

$$\text{CAP} = \text{Tiered Capacity Charge per kilowatt-hour applicable whenever the day-ahead forecast of the ratio of hourly available generation to hourly demand is equal or less than 1.15}$$

The hourly RTP rate will not, under any circumstances, be lowered than zero.

GENERAL PROVISIONS

The parties shall perform such other obligations as are specified in the GSA Service Agreement. For the avoidance of doubt, the Company shall not be liable to the Customer if a GSA Facility fails to produce renewable energy as required under a GSA PPA or otherwise consistent with the Customer's expectations.